Scott. H.-27—100,000—21-5-58.

Fiska Development (1949) Department.

MS SERIES.

G.O. No. 1140

Dated 27. 12. 49

[Despatch Abstract.]

Village Reconstruction and Harijan Uplift - Fund - Annual Contribution from Revenue - 1950-51 - Proposal referred Papers Recorded.

Firka Development Department.

Sub: Village Reconstruction and Harijan Uplift Fund - Annual contribution from Revenue.

--

The Government have constituted the fund for Village Reconstruction and Harijan Uplift in 1946-47 and transferred a sum of Rs. 4 crores from the revenue accounts. Out of this sum of Rs. 4 crores, one crore is intended for Harijan Uplift, one crore is intended for financing general schemes of intensive Rural Reconstruction and two crores for schemes for Khadi production and development of Cottage Industries. At present, the sums of money necessary in each year for implementing specific schemes of Rural and Harijan Uplift are drawn from this fund and the unspent balance at the end of the year is available for expenditure in subsequent years.

The question of replenishing the fund by annual contribution was considered last year. The then the Hon'ble Premier minuted that a recurring annual contribution to the fund in question from the current revenues should be made. It was, however, decided by the Cabinet that a sum of Rs. 10 lakhs be contributed during 1949-50 towards Village Reconstruction and Harijan Uplift Scheme. The Finance Department suggested that orders might be taken in due course for the provision of further contribution from the gne general revenues to the fund in question for the year 1950-51.

In this conneetion, it may be stated that the annual expenditure on Firka Development activities is mounting. The Government have also ordered that Firka Development Schemes should be extended to 50 new additional firkas in the Province. It is likely that the normal annual expen diture in the coming 2 or 3 years will wipe out the entire fund of Rs.4 croers. The necessity for replenishing the fund and replenishing it substantially will, therefore, be apparent.

Another point which is also for consideration in this regard is the question whether the grants obtained from the Government of India in connection with the Intensive Rural Reconstruction Work, Cottage Industries and Khadi Schemes may not be taken credit of to the fund for V.R & H.U. The Intensive Rural Reconstruction work in the selected firkas, Cottage Industries and Khadi Schemes have been recognised to be Public Works Department Schemes and are eligible for financial assistance from the Govenment of India. Constributions received from the Government of India from year to year are taken to the credit of the general revenues of the Province. In view of the fact that this Government have decided to spend the fund for V.R.& H.U. on certain specified schemes it will almost follow that the grants received from the Government of India for this purpose should be taken credit of for the fund Village Reconstruction and Harijan Uplift even as the expenditure for the Schemes in question are met from the fund.

The points for orders. are:-

(1) Whether a constibution to the fund for Village Reconstruction and Harijan Uplift will be claimed from the General revenues;-

(ii) what the quantum of the contribution will be that will be considered necessary; and

(iii) whether the fund for Village Reconstruction Harijan Uplift will be enabled to take credit of the contribution received or is being received from the Government of India.

Finance may see for remarks in the first instance.

The receipts on account of the sale of Khadi etc. stand on the same footing as contributions from the Government of India. In this connection please see my note on paras 15 and 16. N.F. of. S

Sd.....
31-10-49

It is essential that the special fund should be kept in a sound state by being replenished from time to time. This will also have the advantage of avoiding a sudden strain on the Provincial resources by the need for for the creation of a fresh fund when the present one is exhausted and will enable the work gradually extending the Rural Reconstruction activities of the Government to be carried out unimpeded. Last year itself the late Hon'ble Premier minuted "We will have to develop permanently . The Firka Development Scheme XXXXXX that is (1) Village development (2) Harijan Uplift (3) Cottage Industries will have 5 lakhs each every year from 1948".

The cabinet accordingly decided and ordered the transfer from General Revenues of a sum of Rs.5/- lakhs to the Village Reconstruction fund and another 5 lakhs to the Harijan Uplift fund. It was also decided that proposals for making contributions to the fund in future years might be brought forward as Part II Schemes. The statement at 'D' shows the actual expenditure incurred in 1946-47, 1947-48, 1948-49 and the Revised Estimate for 1949-50 . It will be observed that unless some substantial provision is made this Year, the fund may get depleted soon. This department may therefore recommend that a sum of 20 lakhs may be contributed to the Special Fund i.e. Rs. 5 lakhs for each of the four schemes. Please see in this connection the Finance Secretary's remarks on page 1 of the G.O. at '0'.

Sd.... .....
1-11-49.

Finance (B.E.II) Department.

PART II SCHEME FOR 1950-51.

Contribution to the fund for Village Reconstruction and Harijan Uplift.

The Firka Development department propose that a contribution of Rs. 20 lakhs may be made to the Fund for Village Reconstruction and Harijan Uplift in 1950-51, treating the proposal as a Part II Scheme for 1950-51.

The provision made in the current year's budget for contribution to the Fund is Rs. 10 lakhs. It will be seen from the statement at flag 'D' that the amoung expected to be spent from the Fund under all the four categories of schemes by the end of this year is about Rs. 140 lakhs only. A contribution of Rs. 10 lakhs will be made from general revenues to this fund in the current year. The closing balance on 31-3-1950 of the fund is therefore expected to be Rs. 270 lakhs. It seems sufficient if a contribution of Rs. 10 lakhs is made to the Fund in 1950-51, as in the current year. On this basis, Finance may agree to the pro proposal being included for consideration as a Part II Scheme for 1950-51.

Sd xx xx
2-12-49

Firka Development Department.

The Finance Department note above summarises the case. For orders whether the views of Finance that a Contribution of Rs. 10 lakhs as against Rs. 20/- lakhs proposed by this Department may be made to the Fund for Village Reconstruction and Harijan Uplift will be concurred in this Department. If so the case may be circulated to the HON'BLe Minister (Rural Development) and the Hon'ble Minister (Finance) for orders whether the proposal may be taken up as a Part II Scheme for 1950-51.

The Finance Department have recommended that a contribution of Rs. 10 lakhs may be made to the fund proposal may be considered as a Part II Scheme for 1950-51. Their recommendation may be accepted.

Sd. xx xx
3-12-49

Not necessary this Year We shall see for 51-52.

Sd.....
7 - 12- 49.

The file may be circulated to Hon'ble Minister Rural Development) for perusal of the minutes of Hon'ble Minister (Finance).

Sd xx xx
12-12-49.

Please see orders in circulation above. The papers may now be recorded after perusal by Finance.

Sd.....
19-12-49.

(Previous Finance note on page 4 above)

The orders in circulation above may be perused and the case returned to Firka Development.

Sd xx xx
22-12-49.

GOVERNMENT OF MADRAS.
Abstract.

Village Reconstruction and Harijan Uplift - Fund - Annual Constibution from Revenue- 1950-51- Proposal referred - Papers Recorded.

- -

Firka Development Department.

G.O.Ms.No.1140 Dated 27-12-49.
Read the following:-

ORDER:

Recorded.

Sd xx xx xx
23-12-49

/True copy/

for Superintendent,
Madras Record Office.

24/7